

REQUEST TO DEVIATE UNDER G.S. 143C-6-4:

Prior consultation with Governmental Operations is required when the total requirements for a State department will exceed the department's certified budget for the fiscal year by more than three percent.

DEPARTMENT: Insurance
FISCAL YEAR: 2011-2012

Budget Code	Certified Requirements	Projected Authorized Requirements	3% Deviation Threshold	Projected Deviation Over 3% Threshold
13900	\$ 43,267,178	\$ 55,502,889	\$ 1,298,015	\$ 10,937,696
13901	\$ 2,294,000	\$ 2,294,000	\$ 68,820	\$ (68,820)
23900	\$ 33,789,792	\$ 34,332,371	\$ 1,013,694	\$ (471,115)
23901	\$ 1,354,983	\$ 1,401,308	\$ 40,649	\$ 5,676
23902	\$ 245,533	\$ 561,994	\$ 7,366	\$ 309,095
23903	\$ 92,692	\$ 135,433	\$ 2,781	\$ 39,960
63901	\$ 5,975,386	\$ 5,975,386	\$ 179,262	\$ (179,262)
63902	\$ 6,885,094	\$ 6,885,094	\$ 206,553	\$ (206,553)
63903	\$ 18,761,268	\$ 18,761,268	\$ 562,838	\$ (562,838)
Department Total	\$ 112,665,926	\$ 125,849,743	\$ 3,379,978	\$ 9,803,839

Less Total of Prior Deviation Consultations:

Current Deviation Request: \$ 9,803,839

JUSTIFICATION FOR REQUEST:

Budget Method for Department of Insurance: 606's are prepared and submitted to OSBM for Federal grants and Special Revenue / Receipts (on a one-time 606 basis).

DOI budgets Federal Grants that were received in prior years on a non-recurring basis. Federal Grants are categorized in 3 major areas: SHIIP (State Health Insurance Information Program) , Senior Medicare Patrol Program, and Healthcare Reform Act Program. Federal Grants received prior to FY 2011 have already gone before Gov Ops.

Budget Code 13900

Grant Title	Rcc/Fund	Original Start Date	Gov Ops Approval	Grant Award Amount	Grant Period
The Medicare Improvements for Patients and Providers Act (PMS Account No. C8375G1)	16001659	09/30/2010	Yes - FY 2011	751,060	09/30/10 - 09/29/2012

Reaching and providing assistance to people likely to be eligible for LIS, MSP, Part D and outreach aimed at preventing disease and promoting wellness.

Senior Medicare Patrol Project/NC SMP Pg (Acct NO. C8375G1)	16001658	09/30/2010	Yes - FY 2011	300,000	09/30/10 - 09/29/2011
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Purpose of the Capacity Building and Expansion grant is to increase the healthcare fraud prevention awareness, education and reporting. A toll free consumer line was established as well as staff expansion for volunteer management and outreach efforts. Partnerships were also established with the one hundred four SHIIP coordinating sites to provide basic fraud prevention messaging in their local communities. Balance unspent funds budgeted.

Health Care Reform Act- Premium Review Cycle I	13001357	08/09/2010	Yes - FY 2011	4,984,080	08/09/10 - 12/31/2011
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The Health Insurance Rate Review Grant is designed to help the State develop or improve and enhance its current health insurance rate review and reporting processes. The State will enhance its rate review by proposing adoption of new approval authority over small group health insurance rates, developing new or enhanced processes for the review of rate revisions, and hiring additional staff to assist in the review of rate revisions and to develop and implement the enhanced processes. Balance unspent funds was budgeted.

Budget Code 13900

Grant Title	Rcc/Fund	Original Start Date	Gov Ops Approval	Grant Award Amount	Grant Period
State Planning and Establishment Grants Affordable Care Act's Exchanges	13001359	09/30/2010	Yes - FY 2011	999,999	09/30/10 - 09/29/2012

Purpose is intended to assist States with initial planning activities related to potential implementation of a State-based Exchange. An Exchange will facilitate the purchase of health insurance by individuals and small employers in North Carolina. The State will conduct necessary background research, engage relevant stakeholders in initial consideration of policy decisions to help develop establishing legislation, and to plan for IT systems development. Balance unspent funds was budgeted.

Health Insurance Smart NC	16001657	10/15/2010	Yes - FY 2011	1,056,928	10/15/10 - 10/14/2011
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Health Insurance Smart NC (Smart NC) , North Carolina's Consumer Assistance Program, provides consumers assistance with health insurance questions and problems. These services include assistance with the filing of complaints, appeals, grievances and external review. Provides education to consumers on their rights and responsibilities with respect to group health plans and individual health coverage and assists consumers with enrollment in a group health plan or individual health coverage by providing information, referral and assistance. Balance unspent funds was budgeted.

Budget Code 23900

Pyrotech Safety in NC	2553	08/26/2009	Yes - FY 2010	46,325	07/01/11 - 06/30/12
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SB 563 : An act to improve pyrotechnics safety in North Carolina: Manufacture, sale and use of pyrotechnics prohibited: exceptions: a 'permit required' : State Fire and Rescue Commission by consultation from The State Fire Marshal, must establish guidelines, testing and training requirements for individuals, and require a fee of \$100 for application and exam before a permit issued.

Budget Code 23902

Allstate Market Conduct Settlement Grant	2236	03/31/2011	-	282,755	07/01/11 - 06/30/12
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Purpose is developing and training examination personnel in processes designed to review and monitor the insurance industry's use of software technology tools in adjusting claims.

NC Hospital Foundation Grant	2245	07/19/1999	Yes - FY 2010	120,986	07/01/11 - 06/30/12
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North Carolina Hospital Foundation, with funds provided by The Duke Endowment, to support statewide expansion of NC SAFE KIDS coordinators, and safety supplies. The safety supplies include, but are not limited to, Child Car Seats, Bike Helmets, Smoke Detectors, and Child size Life Jackets.

Budget Code 23903

	Rcc/Fund	Original Start		Grant Award	Grant
		Date		Amount	Period
NC State Fair Exhibit	2360	05/31/2009	Yes - FY 2010	30,000	07/01/11 - 06/30/12

Purpose to support educational activities for promotion of Insurance education or other educational activities that benefit the public.

Insurance Fraud Investigation	2361	05/31/2009	Yes - FY 2010	5,170	07/01/11 - 06/30/12
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Purpose is to perform undercover and other surreptitious investigations to catch criminal elements in the act of committing fraud while ensuring consumer protection for all NC citizens

Pocket Tool Training	2362	05/31/2009	Yes - FY 2010	7,354	07/01/11 - 06/30/12
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Purpose for web based training offers fire and rescue departments various accessible and straightforward training opportunities in short engaging and interactive 5 minute segments as well as clear, viewable training and safety videos.

OSFM- Live Fire Research Equipment	2366	05/31/2010	Yes - FY 2010	3,500	07/01/11 - 06/30/12
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Purpose to purchase specialized data gathering equipment that will provide inside temperatures of different rooms within a burning structure so that R&PD can analyze that data and develop safe and efficient ways to quickly extinguish the fire with minimal loss of life and property

Instructions: REQUEST TO DEVIATE UNDER G.S. 143C-6-4

1. Department

Enter the department/agency name.

2. Fiscal Year

Enter the current fiscal year.

3. Certified Requirements

Enter the current certified requirements for the budget code as reflected on the BD 701 report.

4. Projected Authorized Requirements

Enter the current authorized requirements for the budget code as reflected on the BD 701 report plus the anticipated adjustments included in the current deviation request.

5. 3% DeviationThreshold

This is calculated as 3% of the Certified Requirements. These figures will be calculated automatically for each budget code.

6. Projected Deviation Over 3% Threshold

This is Projected Authorized Requirements minus Certified Requirements minus the 3% Deviation Threshold. These figures will be calculated automatically for each budget code.

7. Total of Prior Deviation Consultations

This is the cumulative departmental total of all prior deviation consultations with Governmental Operations for the current fiscal year.

8. Current Deviation Request

This is the total Projected Deviation Over 3% Threshold minus Total of Prior Deviation Consultations. This figure will be calculated automatically. If the figure is not greater than zero, no consultation is required.

9. Submit the completed form to your Budget Analyst in the Office of State Budget and Management for consultation with the Joint Legislative Commission on Governmental Operations.